NATIONAL BANK OF KAZAKHSTAN

BANK LENDING SURVEY

3rd quarter of 2025

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Corporate lending

In the 3rd quarter of 2025, total loan demand from businesses increased, driven primarily by a significant rise in demand from large enterprises (Figure 1). Demand from medium-sized businesses remained at the level of the previous quarter, while a slight increase was observed among small enterprises.

The increase in demand from large enterprises was mainly due to the higher number of applications received by one large bank, which reported a recovery in business activity following the slowdown recorded in the previous quarter (Figure 1). The bank also noted interest in the "Orleu" state support program for SMEs from a number of enterprises belonging to larger corporate groups. However, the program's eligibility restrictions for companies affiliated with major corporate structures prevent this demand from being fully realized.

At the same time, some mid-sized banks observed a decline in demand from large businesses, reflecting current economic and credit market conditions. Despite growth in the total number of received applications, banks continue to cite the high cost of credit resources, limited availability of government support funds for large enterprises, and the presence of direct project financing from the quasi-public sector as key factors constraining the expansion of lending.

In addition, the financing mechanism and conditions under the National Project "Modernization of the Energy and Utilities Sectors" are currently under discussion. Banks note that long project horizons and the capital-intensive nature of infrastructure investments – combined with the depreciation of fixed assets, non-market tariff regulation, and the current financial position of enterprises – elevate credit risks, particularly in light of regulatory requirements and the risk-based supervisory approach.

Some banks noted increased interest in foreign-currency loans in the reporting period. Among changes in lending conditions, one mid-sized bank highlighted a softening of collateral requirements by expanding the list of eligible assets (Figure 3). Overall, the total number of loan applications from large businesses increased by 19% quarter-on-quarter (q/q) to 237, while the average application size declined by 6% (q/q) to 12.1 billion tenge.

Demand from medium-sized businesses remained unchanged from the previous quarter, whereas a slight increase was recorded among small enterprises (Figure 1). In the 3rd quarter, the key instruments supporting lending activity were the "Orleu" funding program and the portfolio guarantee mechanism offered by the "Damu" Entrepreneurship Development Fund" JSC. However, banks pointed out that the current structure of the "Orleu" program – which blends banks' own funds with program funding – has shown to be vulnerable to increases in the base rate.

As the product became less profitable, banks adopted a more cautious stance toward both the program and similar initiatives. There was strong interest from medium-sized and small businesses in the portfolio guarantee mechanism, which helps address collateral shortages in these segments. Several banks introduced new collateral products. In the microbusiness segment, some banks tightened financial requirements for borrowers and took a more conservative approach to client selection to preserve and improve portfolio quality (Figure 3). Others reported launching specialized microbusiness applications, expanding income verification options for borrowers, promoting products among target clients, and enhancing scoring systems. Overall, the total number of credit applications from medium-sized businesses remained at 5.3 thousand, with the average application size down 2% (q/q) to 905 million tenge. Applications from small businesses increased by 10% (q/q) to 999 thousand, while the average application size decreased by 9% (q/q) to 27.7 million tenge.

The approval rate for large business applications declined slightly by 3 percentage points (p.p.) to 53%, mainly because some applications were still under review. Meanwhile, approval rates in the medium-sized and small business segments increased by 4 p.p. and 3 p.p., respectively – both reaching 36%. This improvement reflects a broader pool of eligible borrowers and strengthened financial positions supported by access to government programs.

According to banks, business demand is expected to remain stable in the 4th quarter of 2025 (Figure 1). At the same time, a slight tightening of lending conditions is anticipated due to rising interest rates (Figure 4).

Retail lending

By the end of 3rd quarter of 2025, demand for mortgage loans declined, demand for auto loans increased slightly, while demand for secured and unsecured consumer loans remained at the level of the previous quarter.

The decline in mortgage loan demand during the reporting quarter was driven by the reduction of the Annual Percentage Rate (hereinafter – APR) on mortgage loans[1] from 25% to 20%, which led several banks to suspend market-based mortgage lending. In addition, a major mortgage lending bank noted that the high approval rate in 3rd quarter of 2025 contributed to the lower demand in the reporting quarter. At the same time, amid expectations of an increase in the base rate and the forthcoming reduction of the APR caps for mortgage products, several large banks are offering alternative mortgage products in which the initial down payment serves as collateral deposited with the bank, and no interest is accrued on such products. According to banks' responses, the reinstatement of the 25% APR cap on mortgage loans in 3rd quarter of 2025 was the main change in lending conditions within this segment. Separately, one bank tightened its solvency criteria for borrowers, specifically in terms of income assessment. As a result, the number of mortgage loan applications grew by 19% (q/q) to 288 thousand, while their average size increased by 21% to 21 million tenge.

Demand for secured consumer loans remained at the level of 2nd quarter of 2025. The increase in the number of applications is primarily associated with the launch of a pilot digital service in this segment by a mid-sized bank and the subsequent expansion of application activity. In the secured consumer loan segment, lending conditions in terms of interest rates were eased by a particular bank. The number of applications for this product increased by 94% (q/q) to 100 thousand, while the average application size decreased by 21% (q/q) to 12 million tenge.

Demand in the unsecured lending segment remained at the level of 2nd quarter of 2025. Banks report a tightening of regulatory measures. The key factors influencing demand in this segment included the reduction of the maximum loan term to 5 years, an additional requirement when concluding a loan agreement for borrowers under 21 and over 55 years old, the introduction of a cooling-off period, and the requirement for borrowers without a credit history to be physically present at a bank branch when obtaining a loan[2]. As a result, the total number of applications

[1] The effect of this provision will be suspended until 1 November 2025 in accordance with the Joint Resolution of the Agency's Management Board and the Management Board of the National Bank "Suspension of a structural element of the joint resolution of the Management Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated 16 August 2024 No. 62 and the Management Board of the National Bank of the Republic of Kazakhstan dated 19 August 2024 No. 45 "Determining the maximum annual effective interest rate".

[2] This amendment was introduced pursuant to the Law of the Republic of Kazakhstan No. 205-VIII dated 30 June 2025 "On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on the Development

decreased by 6% (q/q) to 17.2 million, while the average application size increased by 7% (q/q) to 1,050 thousand tenge.

The growth in demand in the auto lending segment was mainly driven by the lagged effect of auto dealer–subsidized auto loan programs launched by several banks in the first half of 2025. Consequently, the number of auto loan applications remained at the level of the previous quarter (1.52 million), while the average application size decreased by 5% (q/q) to 6.9 million tenge.

Approval rates for mortgage products decreased by 6 p.p. (q/q) to 23%; for secured consumer loans by 23 p.p. (q/q) to 22%; and for auto loans by 2 p.p. (q/q) to 17%, while approval rates for unsecured loans remained unchanged at 32%.

The decline in mortgage approval rates is associated with limited mortgage funding by a major bank. The decline in approval rates for secured consumer loans relates to the absence of approved applications collected under a newly piloted product launched by a particular bank. In the auto lending segment, the decrease reflects the tightening of lending conditions by several banks.

In 4th quarter of 2025, banks expect a slight decline in demand for mortgage loans, unsecured consumer loans, and auto loans, while demand for secured consumer loans is expected to remain at its current level (Figure 5). Banks attribute these expectations to potential tightening of lending conditions resulting from an increase in the base rate, which may prompt banks to revise interest rates on secured consumer loans, unsecured consumer loans, and auto loans. Another factor cited by banks is the entry into force, starting from September 2025, of restrictive measures on unsecured loans—specifically the cooling-off period and age-related requirements, under which applicants will need to additionally confirm their consent to receiving a loan[3]. In the mortgage segment, banks expect a relaxation of certain collateral requirements and the resumption of mortgage loan issuance.

of the Financial Market, Protection of the Rights of Financial Services Consumers, Communications, and the Elimination of Excessive Legislative Regulation".

[3] This provision is included in the Law of the Republic of Kazakhstan "On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on the Development of the Financial Market, Protection of the Rights of Financial Services Consumers, Communications, and the Elimination of Excessive Legislative Regulation", signed by the Head of State on 30 June 2025.

General information about the survey

The Bank lending survey is conducted by the National Bank on a quarterly basis to assess the changes in supply and demand for credit resources. The Survey is addressed to bank managers who are responsible for the formation of bank's general credit policy and risk management. During the research, all banks are surveyed out by filling questionnaires and subsequent interviews with representatives of individual banks.

The choice of answers to the most of questions assume one of the following:

-1 = will decrease/decreased significantly

-0,5 = will decrease/decreased slightly

0 = will remain/remained at the same level

0,5 = will increase/increased slightly

1 = will increase/increased significantly

Prior to Q1 2018 survey results were aggregated as a simple average by calculating the net percentage change (NPC)– difference between the proportion of respondents who have noted an increase (loosening) in parameter and the proportion of respondents who have noted its decrease (tightening).

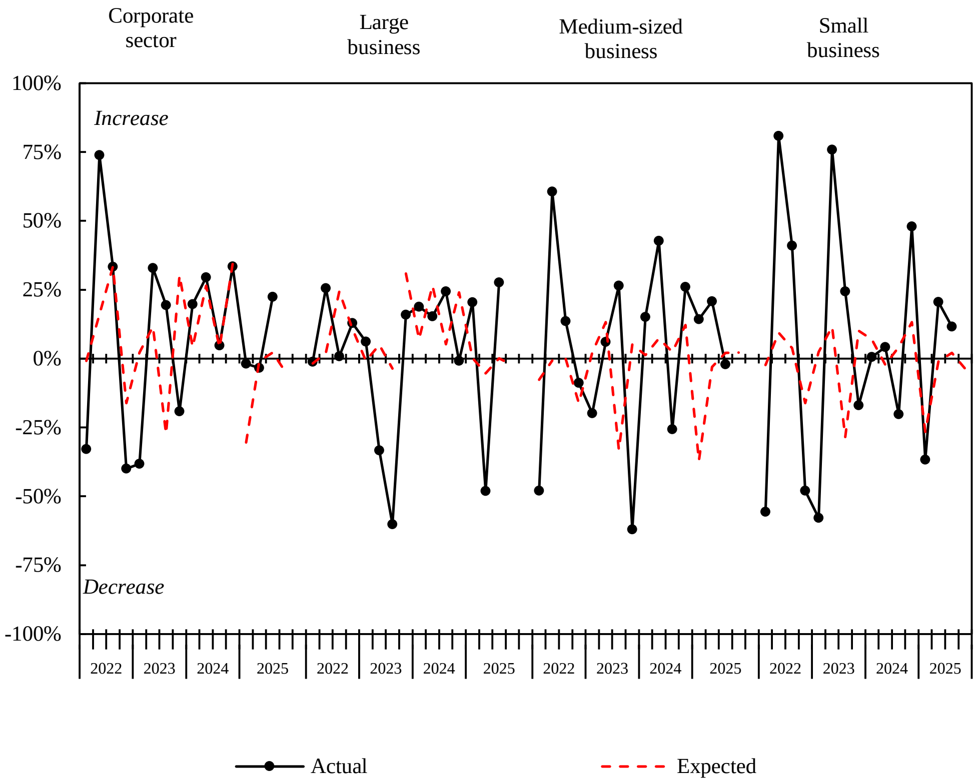
Starting from Q1 2018, the survey results are aggregated in the NPC, taking into account the bank's share in the corresponding segment of the lending market. The value of this indicator can vary from -100% - if all banks choose "decreased/tightened significantly" - to 100% - if all banks choose "increased/loosened significantly"

A positive value of this NPC indicator reflects a growth trend (loosening), a negative value indicates a decrease (tightening) of the parameter. At the same time, value of the net percentage change does not show the amount of change in the parameter, but only indicates the change itself.

Also, starting from Q1 2018, questions of received and approved loan applications were included to the questionnaire (Questions №21, 22, 23). The total number of received applications includes both, applications for which a credit decision was already made (approved/rejected), and applications that were on consideration during the time of conducting the survey.

Figure 1. The demand of corporate business entities for credit resources

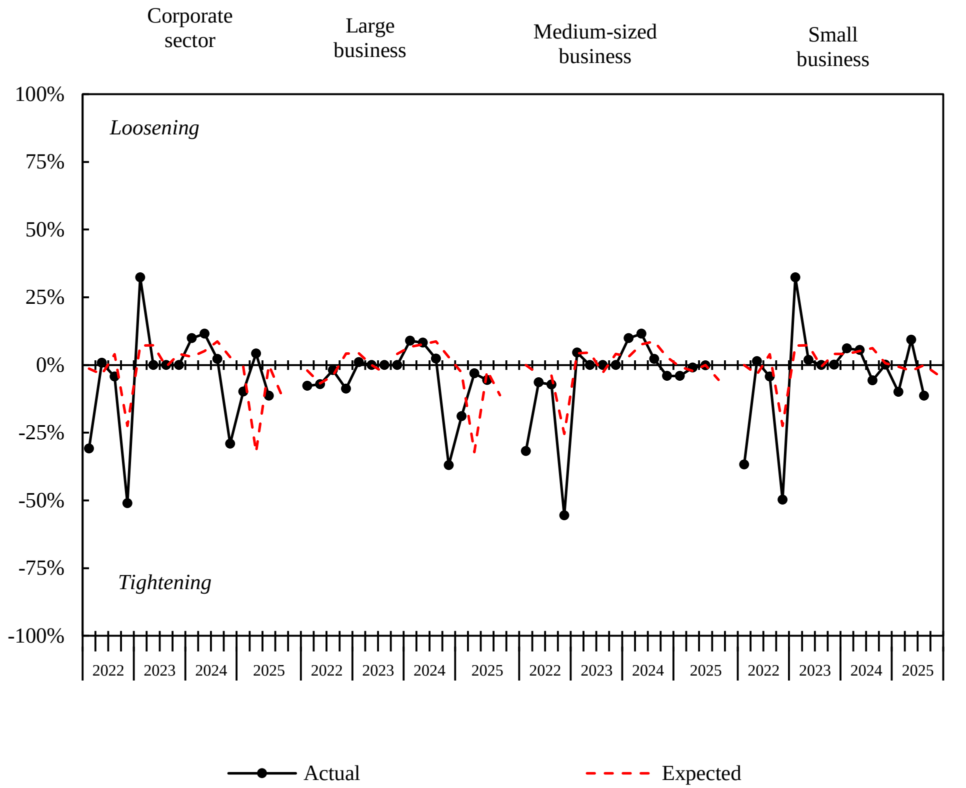
Net percentage change



(a) Question №1: How has the demand of corporate business entities for loans changed over the past 3 months, excluding seasonal fluctuations? In your opinion, how will the demand of corporate business entities for loans change in the next 3 months?
(b) A positive net percentage change is a sign of an increase in the demand for credit resources by entrepreneurs.

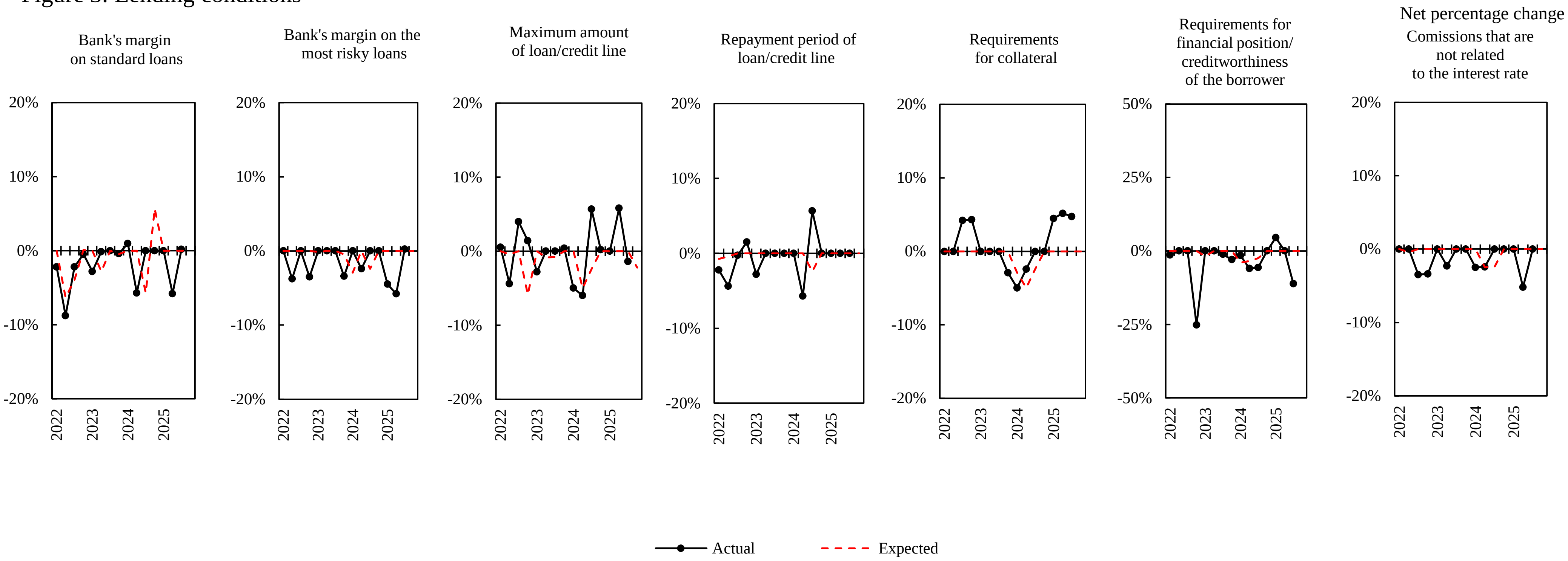
Figure 2. Lending terms to corporate business entities

Net percentage change



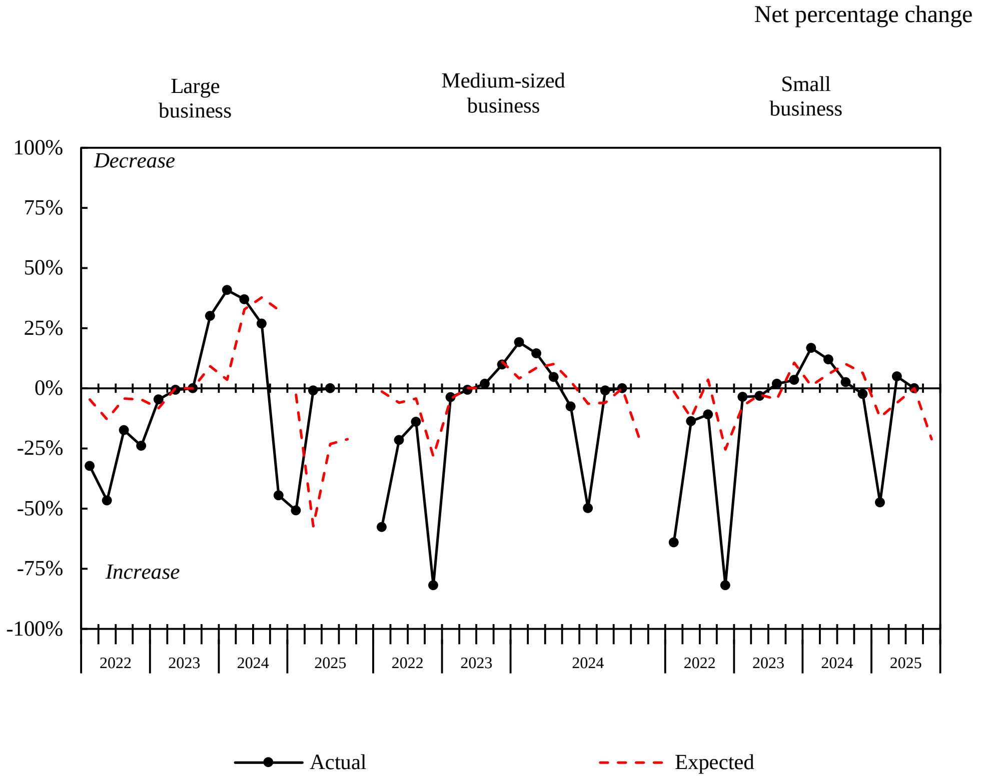
(a) Question №5: How have the lending terms to corporate business entities changed over the past 3 months? In your opinion, how will the lending terms to corporate business entities change in the next 3 months?
(b) A positive net percentage change is a sign of a loosening of lending terms.

Figure 3. Lending conditions



(a) Question №7: How have the following lending terms to corporate business entities changed over the past 3 months? In your opinion, how will the following lending terms change in the next 3 months?
(b) A positive net percentage change is a sign of a loosening of lending terms.

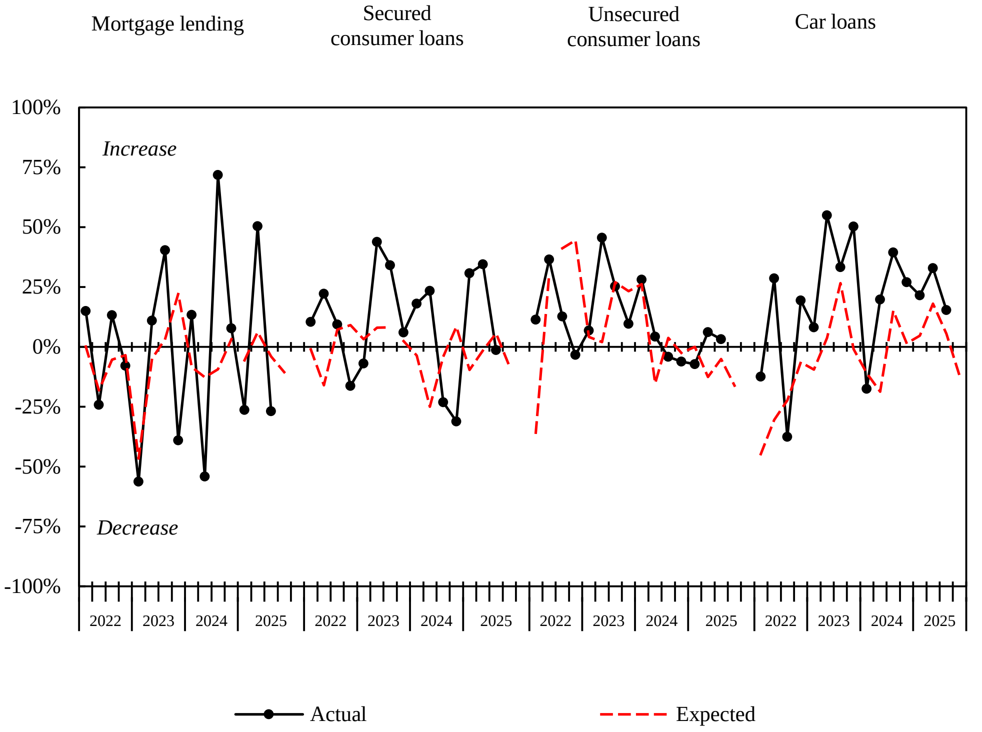
Figure 4. Interest rates on loans



(a) Question №8: How have the interest rates on loans changed over the past 3 months? In your opinion, how will the interest rates on loans change in the next 3 months?
(b) A positive net percentage change is a sign of a decrease in the interest rates on loans to the corporate sector.

Figure 5. The demand of individuals for credit resources

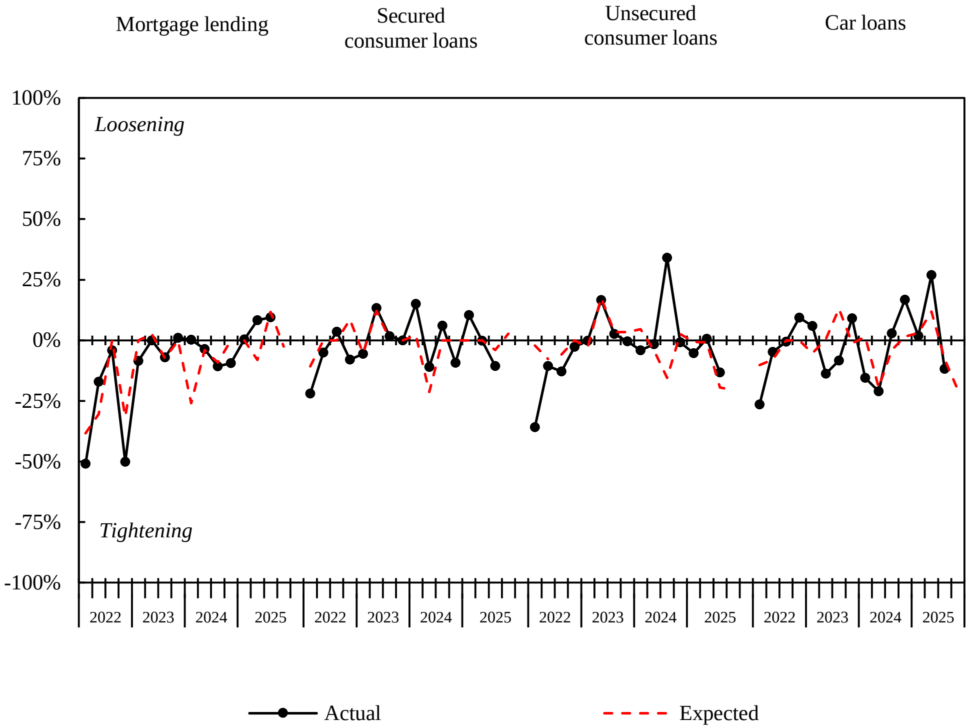
Net percentage change



(a) Question №9: How has the demand of individuals for loans changed over the past 3 months, excluding seasonal fluctuations? In your opinion, how will the demand of individuals for loans change in the next 3 months?
(b) A positive net percentage change is a sign of an increase in the demand of individuals for credit resources.

Figure 6. Lending terms to individuals

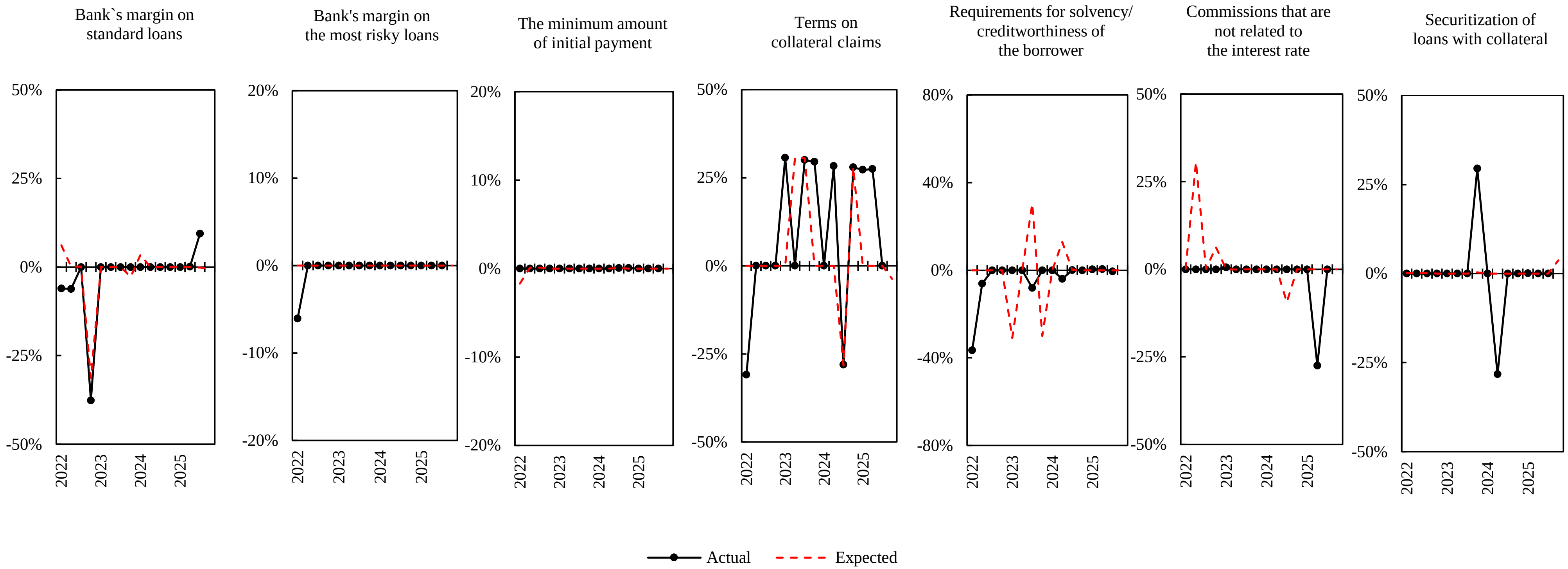
Net percentage change



(a) Question №13: How have the lending terms to individuals changed over the past 3 months? In your opinion, will the lending terms to individuals change in the next 3 months?
(b) A positive net percentage change is a sign of a loosening of lending terms.

Figure 7. Mortgage lending terms

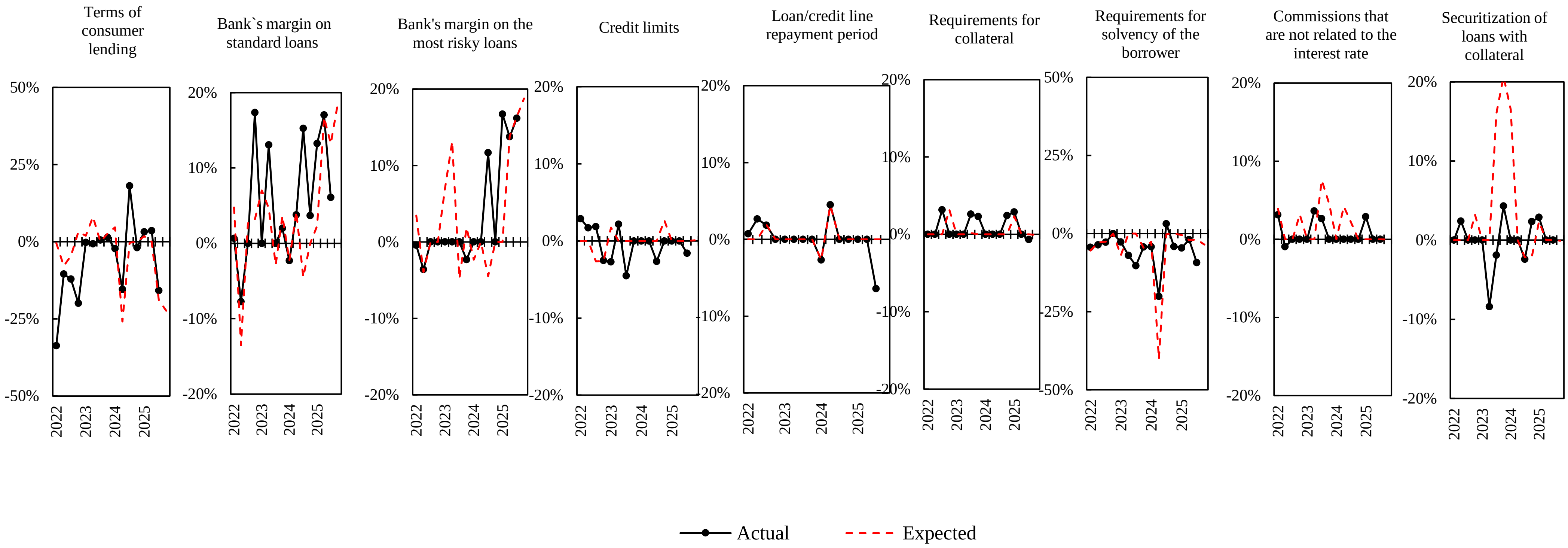
Net percentage change



(a) Question №16: How have the following mortgage lending terms changed over the past 3 months? In your opinion, how will the following mortgage lending terms change in the next 3 months?
(b) A positive net percentage change is a sign of a loosening of mortgage lending terms.

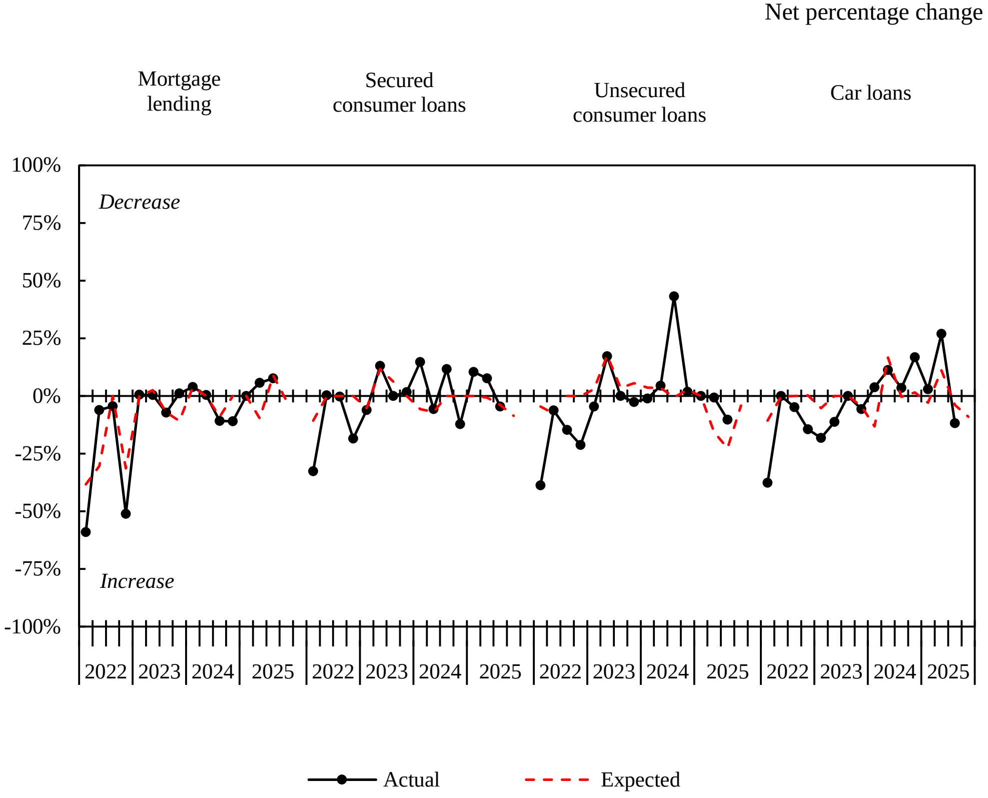
Figure 8. Consumer lending terms

Net percentage change



(a) Question №13: How have the lending terms to individuals changed over the past 3 months? In your opinion, will the lending terms to individuals change in the next 3 months?
(b) Question №17: How have the following consumer lending terms changed over the past 3 months? In your opinion, how will the following consumer lending terms change in the next 3 months?
(c) A positive net percentage change is a sign of a loosening of consumer lending terms.

Figure 9. Interest rates on loans



(a) Question №18: How have the interest rates on loans changed over the past 3 months? In your opinion, how will the interest rates on loans change in the next 3 months?
(b) A positive net percentage change is a sign of a decrease in the interest rate on loans to individuals.